



USAF Worldwide Contracting Conference

Presented By:

**Maj Gen Darryl A. Scott
Director**

08 OCT 04

What We Do

Drive Customer Outcomes!

Provide Customer Focused Acquisition Support Services

- Right Item = Quality
- Right Time = On-Time Delivery
- Right Price = Value for Money

Vision: The Indispensable Partner, Chosen by our Customers for the Best Solutions.
Mission: Provide Customer Focused Acquisition Life Cycle and Combat Support to Ensure Readiness, Worldwide, 24/7

Combat Support Agency

- Military Operations
- Readiness of Fielded Systems
- Modernization of Military Equipment
- Industrial Surge - During Conflict



Full Service Acquisition

Impact **Scope of work**

- All major weapons system programs
- \$1,261B in Contract “Face Value”
- \$144B Unliquidated Obligations
- 316,119 Contracts
- 16,166 Contractors
- Flight Operations (1200 Aircraft/yr)
- \$91B Government Property in plant
- \$7B Progress Payments
- \$16B Performance Based Payments
- All ACAT 1 and 2 Programs



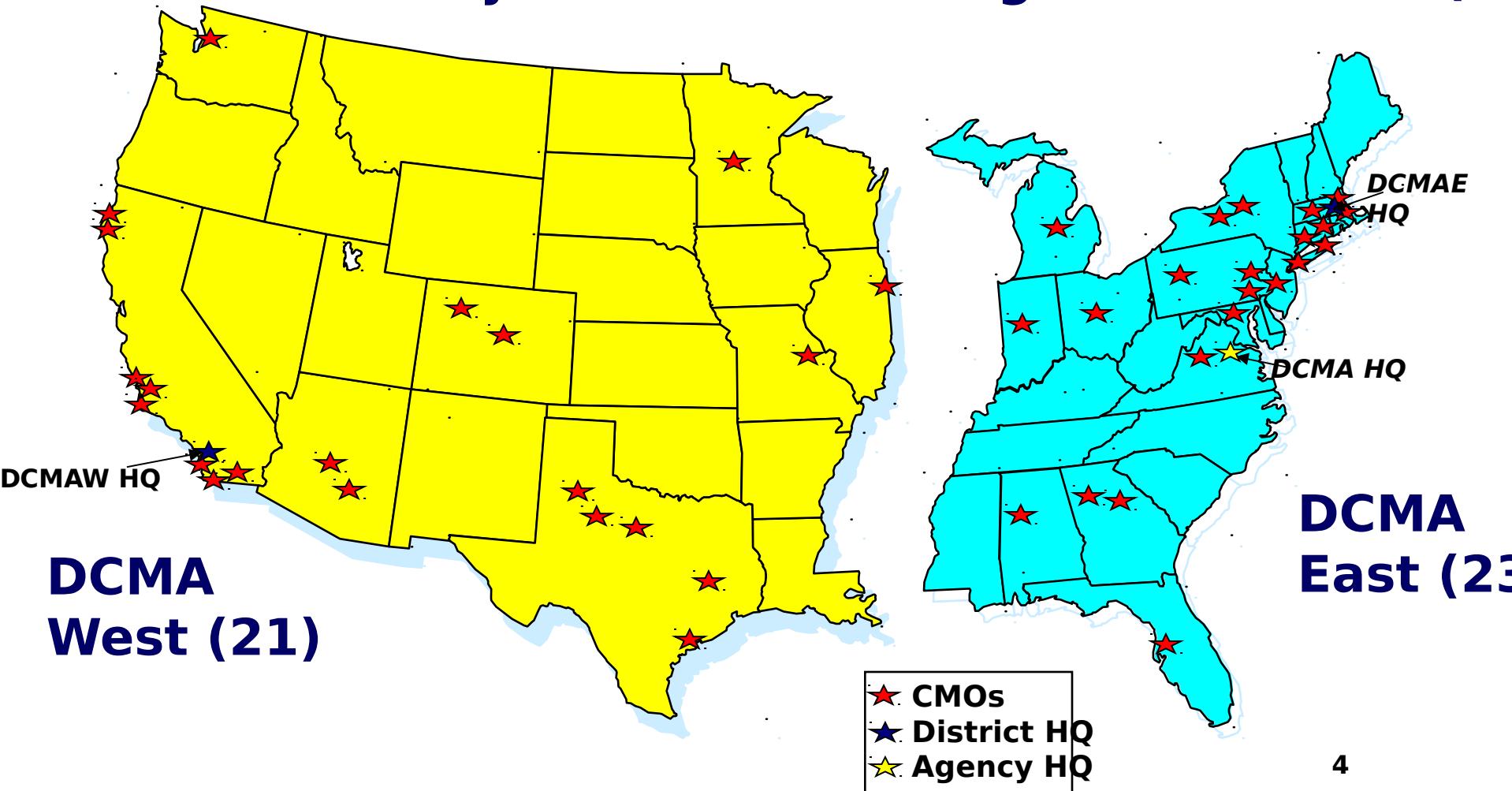
Span of Control

- 11,500 Professionals
 - ACOs, PI, AQ, ENgr, IS, Prop
- 623 Military Personnel
- Over 900+ Locations Worldwide
- 50 Major Field Commands
- \$1.1B Budget Authority
- \$92B Reimbursable/Foreign Military Sales
- Combat Support Agency

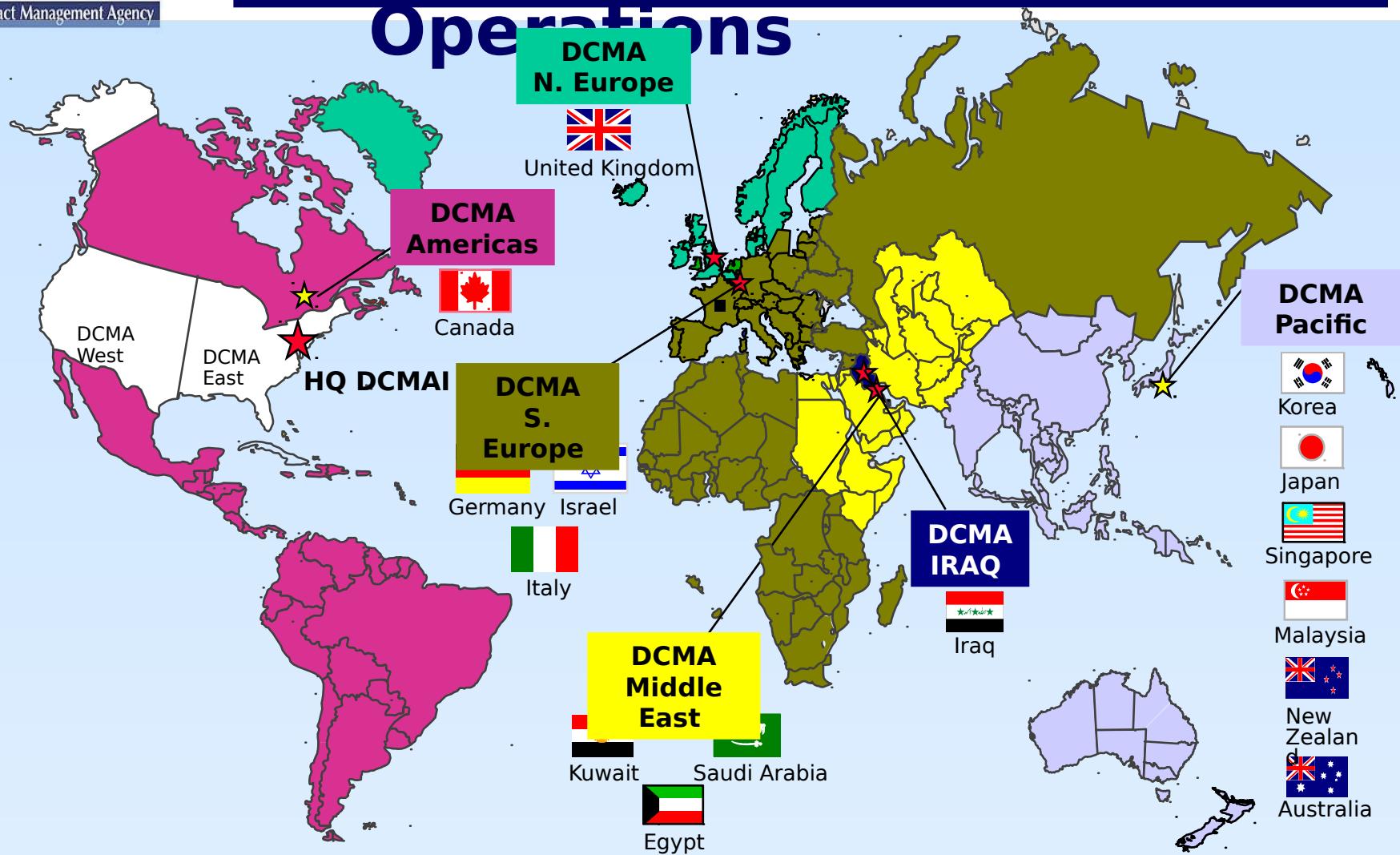
Districts East & West

Current DCMA Structure

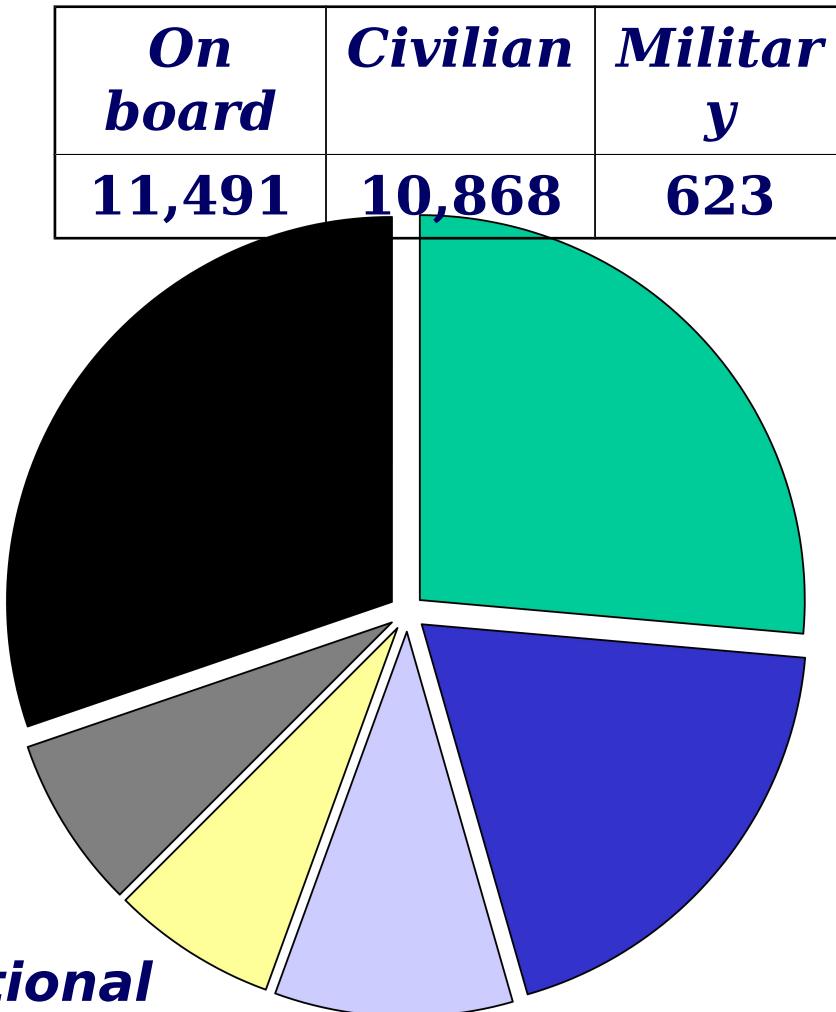
Total 44 CONUS Major Contract Management Offices (CMOs)



Worldwide Operations



Workforce Demographics



Key occupational series comprise 70% of workforce
as of 6/30/2004

- **GS-1910 (26%)**
(Quality Assurance)
- **GS-1102 (19%)**
(Contracts & Pricing)
- **GS-1101 (10%)**
(Gen'l Business)
- **GS-0800 (7%)**
(Engineering)
- **GS-1150 (7%)**
(Industrial Specialist)
- **Occupational series widely distributed (30%)**

Who are our customers?

Soldiers

Sailors

Airmen

Marines

Program Offices

Joint Staff

ICPs

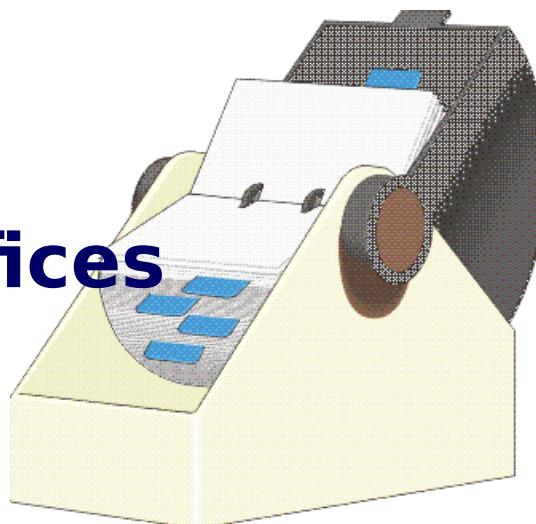
OSD Staff

NASA/Civilian Agencies

FMS (DSCA)

Congress/Taxpayer

Contractors



vs Work Initiators

FAR

PCOS

SAEs

PMS

PEOS

Contractors

DDP

Acq Reform

DFARS

Examples of what we

do

- Acquisition Planning Support Services
- Assist with source selection of contractors
- Establish overhead rates
- Review and approve progress and other payments
- Conduct pre-award surveys
- Definitize contracts
- Perform contractor surveillance
- Accept product and services (DD 254)
- Monitor government property
- Analyze and negotiate contractor costs
- Engineering changes
- Validate contractor entitlement to payments
- Contract closeout
- Contingency contract administration services

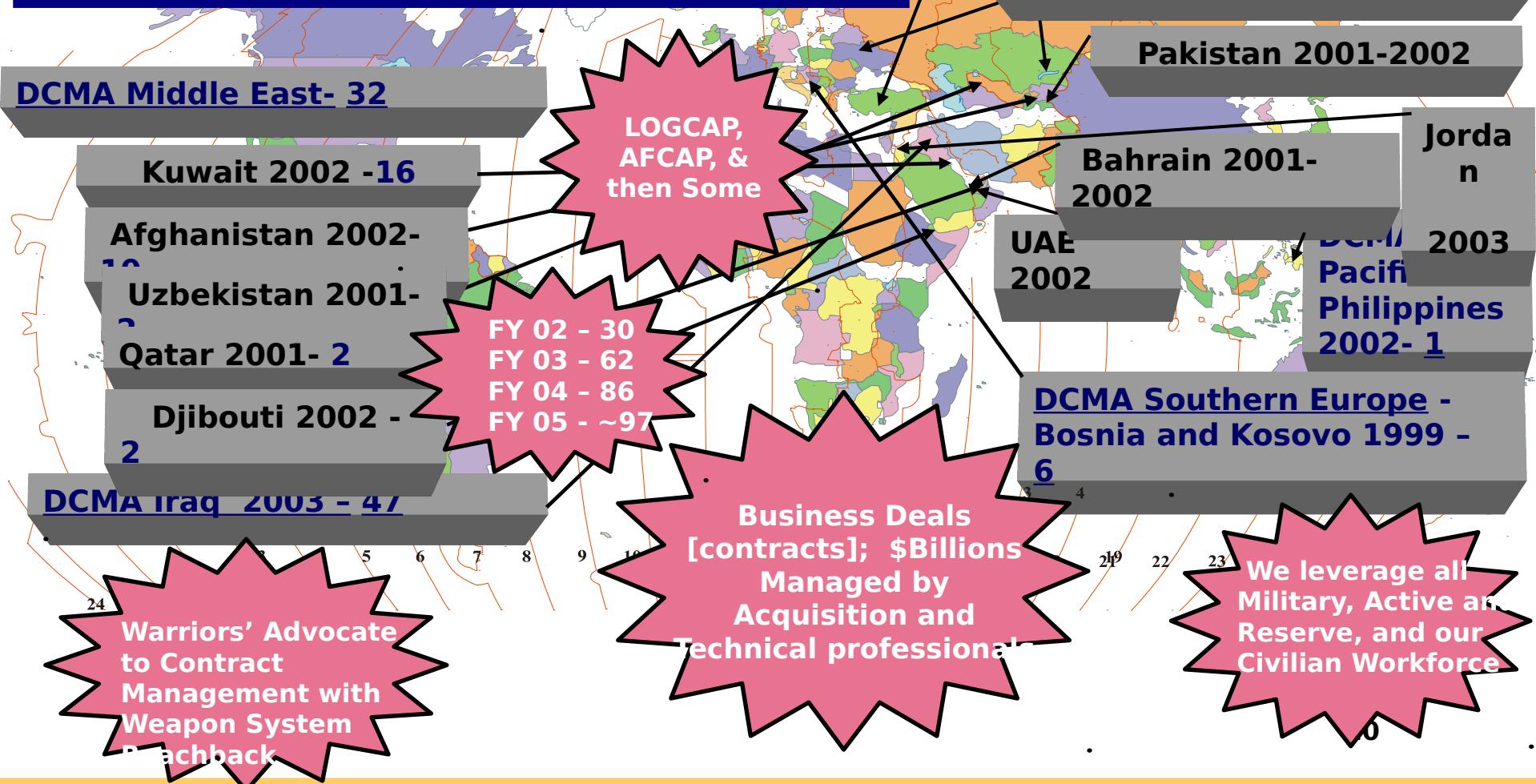


*Things you may not know
about DCMA...*

DCMA: Supporting Contingencies

Defense Contract Management Agency

Perform Worldwide Contingency Contract Administration Services (CCAS) in Support of Contingency Operations Based on a Acquisition Maturity & Mission Requirements



DCMA DCEs, CACOs and DACOs

- Defense Corporate Executives are DCMA's Corporate Administrative Contracting Officers (CACOs) for the top five Defense Contractors:
 - *Boeing*
 - *General Dynamics*
 - *Lockheed Martin*
 - *Northrop Grumman*
 - *Raytheon Corporation*



- **CACOs are responsible for corporate contract management issues at multi-division contractors with over \$500 million in Government sales.**
 - Negotiates corporate cost allocations to segments and residual business expenses
 - Advises customers on the overall financial health of the corporation
 - Negotiates advance agreements on the treatments of costs as they effect the entire corporation
- **Divisional Administrative Contracting Officers (DACOs) are responsible for contract management issues at major company segments.**
 - Not a specific program team ACO
 - Negotiates segment indirect rates and factors
 - Advises customers on the status of the segment's business systems and resolves any unsatisfactory conditions
 - Works with the CACO to resolve any business system anomalies that effect more than one segment¹²

Transportation & Traffic Management



- Ensure contractor compliance with FAR & Transport regs
- Support CONUS/OCONUS recovery of lost or frustrated cargo
- Facilitate ~ 300,000 shipments annually by military and commercial air, motor, rail, & ocean of new equipment, weapons systems, repair parts, food, ammo, FMS, etc.
- Approve carrier payment utilizing US Bank's PowerTrack
- Support Components' special requests for transportation services

We authorize more shipments in the DoD transportation system than any other customer

DCMA Centers

Consolidates unique, scarce resources for synergy & leveraging

- **Contract Closeout Center:** Resolves issues & facilitates the contract closeout process.
- **Industrial Analysis Center:** Supports DoD corporate level industrial analyses for major weapons acquisition, logistics, & readiness programs.
- **Combat Operations Center:** Manages DCMA's combat support functions.
- **Contract Insurance Pension Center:** Principal advisor to the Director, Contract Business Operations Division on contractor insurance & pension reviews.
- **Contract Disputes Resolution Center:** Provides full range dispute resolution legal services.
- **Contract Integrity Center:** Provides full range services on product integrity & cost mischarging issues that involve top defense contractors.

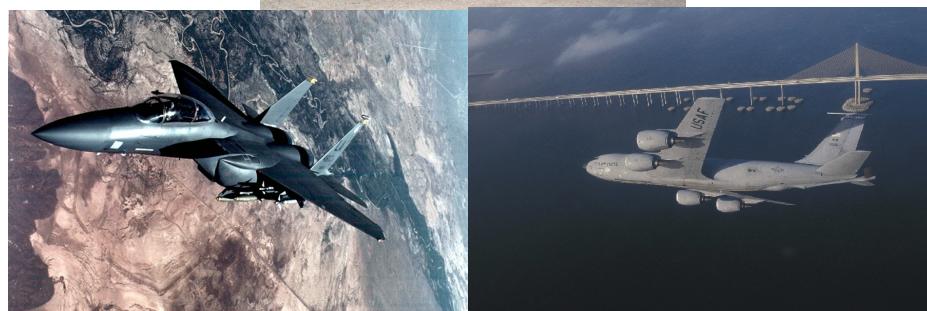
Readiness - the DCMA Role

- **In-plant link between the buying activity & the warrior**
 - Monitoring on-time delivery of reasonably priced, quality products & services
 - Expedite delivery of critically needed items
 - Round the clock inspection & acceptance availability
 - Oversight of contractor transportation & packing processes,
including issuance of Commercial Bills of Lading
- **Industrial Base Visibility & Analysis**
 - Health, capacity & capability
 - Supplier base, competition & foreign dependency



Aircraft Operations

- Manage the flight test & acceptance of Government aircraft
- Approve contractors' aircraft operating procedures, flights, & flight crews
- Assure that contractors maintain flight operations & safety programs as prescribed by the contract



Aircraft Operations

- Aviation Program Teams located at over 30 CMOs & 50 sites Worldwide
- 192 Service members (114 Officers, 8 Warrants, 70 Enlisted)
- Single provider of training for Government Flight Representatives, & Aviation Maintenance Managers
- Flew over 8,000 sorties, 15,000 flight hours

Delivered over 1,200 aircraft in 2004



Product Assurance

- Traditional Quality Assurance Focuses on Production & Inspection
 - Systems, Engineering, Production Surveillance
 - Lean Activities & Continuous Product Improvement
- Agency Chartered IPT Building Strategic Product Assurance Approach for the Agency
 - Based on the Acquisition Life Cycle
 - System Development and Demonstration
 - Production and Sustainment

- **Pre-Award Support**

- Consulting on potential EVM Applications
- Provide Insight on Proposed Supplier EVMS

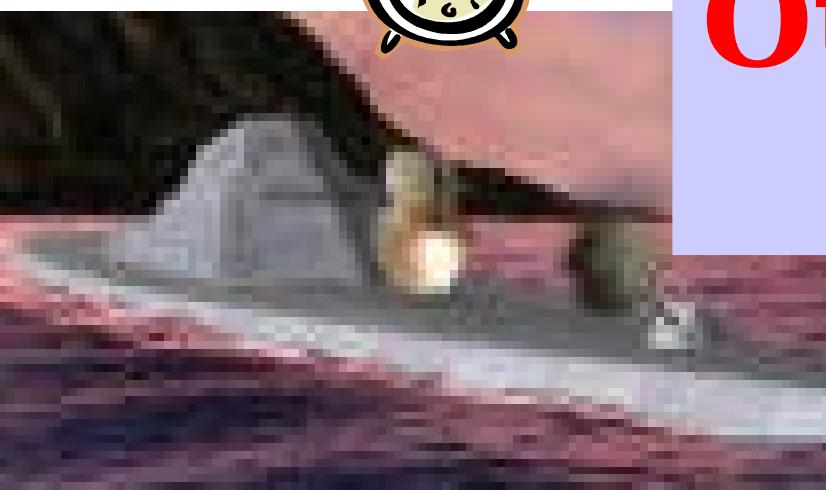
- **Post-Award Support**

- Perform Compliance Reviews
 - Ensuring the integrity & effectiveness of EVM process applications
 - Leading capability assessments & reviews for cause
- Consult / Assist PMs regarding IBR Preparation
 - We have information to help your planning process & review
 - We can identify Management Systems Health & Risk
- Advise on Program Analysis
 - EV Data visible to all (PEO/MDA/SAE/OSD)
 - Leverage DCMA when data integrity is questioned
 - Understand differences in Estimates at Completion (EAC)
- Advise on Risk-Based Systems Surveillance

Our Transformation Tenets

- Latitude and Innovation to Improve Customer Satisfaction
 - Use Other's Best Practices to the Fullest
- Measure Performance Using Customer Criteria
- Do More Moderate/High Risk Work
- More Labor Hours on Direct Customer Support; Less on Indirect Overhead
- Responsibility and Accountability
- Maintain Compliance Where Necessary
 - (i.e., when required by law or customer expectations — e.g., flight safety)

Focus on Outcomes vs. Process



Performance Management Architecture

